

TESTIMONY OF

DAVID L. WASHINGTON, USAF (RET) National President

Of

THE RETIRED ENLISTED ASSOCIATION

Before a

JOINT HEARING

Of the

SENATE VETERANS AFFAIRS COMMITTEE

And

HOUSE VETERANS AFFAIRS COMMITTEE

On

March 18, 2004

BIOGRAPHY OF DAVID L. WASHINGTON

David L. Washington the National President of The Retired Enlisted Association, is a retired Master Sergeant of the United Air Force. He served 26 years as a Security Police Supervisor all over the world including Germany, North Africa and the Philippines as well as in the United States. Before serving as TREA'S President for his second year he served as its First Vice President, as a member of TREA'S National Board of Directors and as the Chair of several National Committees. Previously to assuming national office he served in numerous offices in TREA'S Chapter 3 in Aurora Colorado. In his home town of Aurora he presently volunteers for charities helping seniors, the homeless and abused women. He also aids the Rocky Mountains Lions Eye Institute of the University of Colorado Medical School.

Mr. Washington received his Bachelors of Science Degree in Business Management with a minor in Police Science from Columbia College in Missouri. He has been married for 45 years to his wife, Mary. They have 7 children and 6 grandchildren.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Retired Enlisted Association does not currently receive, has not received during the current fiscal year or either of the two previous years any federal money for grants or contracts. All the Association's activities and services are accomplished completely free of any federal funding.

Mr. Chairmen: It is an honor for The Retired Enlisted Association to testify about our concerns for American Veterans before your two dedicated Committees.

The Retired Enlisted Association is a VSO founded 40 years ago to represent the needs and points of view of enlisted men and women who have dedicated their careers to serving in all the branches of the United States Armed Services active duty, National Guard and Reserves, as well as the members who are doing so today.

We are here today while hundreds of thousand of enlisted men and women are serving in war zones all across the world. We all share an admiration and loyalty for these dedicated and brave men and women and a duty to protect and serve them. What we all can do is join together to make sure that when they return to their home, America, they obtain the best health care and other benefits that they have been promised. And for those who we have lost we must provide for the love ones they have left behind.

VA HEALTH CARE

It is of course well known to all of you that VA health care is not adequately funded. We are very grateful, Mr. Chairman, that you and the Ranking Member have recommended \$2.5 billion more for VA Health Care than what was included in the President's proposed FY05 budget. It is clear that you are well aware that the President's proposed \$29.7 billion will not be sufficient for the coming year. Secretary Principi's forthright response to you that he had initially requested \$1.2 billion more than appeared in the President's final proposal is additional proof that the proposed budget must be increased.. Last year's budget finally appropriated an increase of \$3.1 billion for VA Health Care from what was allocated the year before. The President's Budget for FY2005 includes \$29.5 billion for health care. While this is, of course, a huge sum of money it is not adequate for the crucial job it is meant to cover.

Furthermore this figure includes \$2.4 billion that is proposed to come from third party insurance payments and increased co-pays from veterans. The Administration proposes both a \$250 yearly enrollment fees for veterans enrolled in Categories 7 and 8 and an increase from \$7 to \$15 for these same Veterans for their prescription co-pays. TREA strongly opposes both proposals. These increases are burdensome and unwise. An

increase of \$8 a prescription may seem small at first glance but most of these beneficiaries do not take a single pill a day they take 5 or 10. This increase alone can mean an increase of \$80 to \$100 a month for a Veteran. We know that the cost of drugs is a worry throughout our society. We are grateful that the President is proposing to end all co-payments for former POW's and for Veterans is Categories 2 – 6 who have incomes less than \$16,506 a year but the responsibility being proposed to be placed on this Group of Veterans is too great.

We should not fail to mention how pleased we are that the President's proposal includes allowing the VA to pay for emergency and urgent care for enrolled veterans in non VA facilities and the proposed end to hospice care co-payments. Both proposals will facilitate obtaining care at crucial and difficult times in a Veteran's life. Additional money is also needed to provide the promised 2 year VA medical care promised to all Veterans returning from Iraq and Afghanistan. We don't know what that new benefit will end up costing (because we don't know how it will work and how many returning Vets will take advantage of it). But we do know that it is crucial at this time in our Nation's history that we both keep all the promises that we make to our Veterans and that we are seen keeping the promises.

Effective and sufficient VA Health care is crucial to all Veterans including Military Retirees. In Categories 1-3 (service disability qualification) 30% of all enrollees are Military Retirees (as of September 30, 2003 606,234 of 2,030,111). In total 890,072 of the approximately 7,000,000 present VA enrollees are Military Retirees. It is a very important benefit for our members. Retirees especially need to take advantage of the areas of expertise that the VA has developed. Approximately 2/3 of the Retiree enrollees are service connected disabled.

The problem of inadequate funding is a structural problem that must be corrected in a systematic way. While adequate funding for this year is crucial we are well aware that you are the Authorization Committees not the Appropriation Committees. But this problem of insufficient funding is not going to go away in a year. This Committee can move forward to systematically correct this problem by making the funding for VA Health Care mandatory. For the last several years the problem has been the same. It is not any individual year's budget that is the problem; it is method of funding itself. There are still substantial waiting lists for both primary visits and specialty care. Indeed, TREA believes that the main reason for the drop in waiting list we have seen has been primarily

due to the closing of Category 8 enrollment. The Secretary has been trying to correct the problem with directives internally. That will not work. What is really necessary is mandatory funding. That is something that only Congress can do.

TREA urges Congress to reject the proposed increases in drug co-pays and the proposed \$250 yearly user fee for Categories 7 and 8 enrollees. TREA also urges Congress to adopt mandatory funding for all enrolled VA beneficiaries.

VETERANS EDUCATION BENEFITS

Health care and educational benefits are the two VA benefits that all returning Veterans are expecting and relying upon. TREA'S goal (along with the other members of the Partnership for Veterans Education Taskforce) has been to have the Montgomery GI Bill cover the average costs of a four year public University education. Thanks to Chairman Smith the Montgomery GI Bill's benefits have moved substantially higher. On October 1, 2003 the benefits rose to \$985 a month. When the increases were planned this amount would have covered 68% of the average costs of a Public University's four year degree. However, in the last year there have huge increases in tuition and fees in many states across the country. \$985 a month, while a terrific improvement from just a few years ago will not come close to even the 68% of the average education costs it was expected to cover. For newly returned veterans this is the benefit that can help him or her move back successfully into the civilian world. It is vital that the MGIB rate reflect what it really costs to get a college degree. We reiterate that the monthly benefits should be determined by the costs of a 4 year public university degree. If the monthly benefit was statutorily determined in this method then Congress would not be repeatedly forced to play catch up when the dramatically rising costs of higher education gut the benefit Congress means the Service members to have. Having this guarantee would reassure the Service member that his or her benefit will not lose its value while he or she continues to serve. It should make them feel more comfortable about reenlisting. And of course it is crucial that we do everything possible to encourage recruitment and retention during this critical time.

TREA also hopes that Congress will consider changing the National Guard and Reserve's benefit package. The new burdens that are being placed on the Guard and Reserve at this time and for the foreseeable future affect their civilian careers as well as the rest of their lives. It is no longer 2 days a month and 2 weeks in the summer. Now a Guard member or Reservist can expect to be called up for at least 1 year in every 5. And many Reservists will be called up much more often. This will clearly affect their future civilian careers. They should have an educational benefit that will help them adapt to a changing employment world. It is only fair. When the Reserve Montgomery GI Bill was created it was intended to provide 47% of the Active Duty Montgomery GI Bill. But the Reserve Bill has not kept up. Since the last increase in the MGI B took effect on October 1, 2003 the Reserve's MGIB is only 27% of Active Duty's MGIB. (\$276 a month compared to \$985 a month) This has happened at a time when the Guard and Reserve is being asked to do more and more. Last month, Senator Zell Miller of Georgia introduced 2 bills that would greatly improve the present situation. S 2100 would return the Reserves' educational payments to 47% of the Active Duty rates in four steps going through fiscal year 2007. The Senator's second bill, S2099 would modify the eligibility benefits of the Montgomery GI Bill to allow those who serve at least 2 active duty years in a continuous period of 5 years to qualify for the program. At the present time a Service Member needs to serve 2 continuous years of Active Duty to qualify for this benefit. These changes correspond to the changes in the National Guard's and Reserves' duties and obligations. It should be a real help towards retaining Reservists for the future.

TREA would like to suggest one additional improvement in the National Guard and Reserve educational benefit. There should be a change in the delimiting period. At the present time a member has 14 years to use his or her benefit. But the time starts to run as soon as the member enters the Guard and Reserve. Therefore while the member is working at his or her civilian career, and is being called up at the present rate he or she must find the time to go to college or lose the benefit forever. It would be far better if the period would start to run after the member leaves the Guard or Reserve.

TREA suggests that the Active Duty Montgomery G.I Plan's payments be pegged to the cost of a 4 year Public University Degree. TREA further recommends that both SelRes MGIB payments be raised to return to the original 47% of the Active Duty MGIB payment and that members of the Guard and Reserve be allowed to qualify for Active Duty MGIB if they serve an aggregate of at least 24 months in five years.

VA CLAIMS BACKLOG

For years the delays in adjudication of VA claims have been crippling. Often claimants had to wait for years to get an initial decision and then there are further long delays if an appeal is appropriate. Secretary pledged to work on reducing this backlog and indeed the VA has made substantial progress. In 2002 the waiting list went from 600,000 to 463,000 cases. Last year the case load dropped further and is now approximately 348,000 pending cases. That is a dramatic improvement and movement toward Secretary Principi's stated goal of 250,000 pending claims. We should take notice when things are getting better. And this is much better. However, the job is still not done. The VA needs to continue to hire the most talented professionals that are available and to provide them with sophisticated continuing professional training.

TREA hopes that Congress will continue to monitor the improvement in Claims adjudication.

CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES (CARES)

When there is a massive plan to close or realign numerous hospitals and facilities that are depended upon by our members we would always be very concerned. TREA is well aware that the goal of the CARES Program is to make the VA more efficient and modern- an unassailable stated goal. However, even in the best of any circumstances such a plan would cause great dislocations and difficulties. Today CARES implementation will cause huge difficulties. In the present proposal TREA is particularly concerned that the CARES Commission did not analysis the VA'S future needs in light of its Mental Health and long term health care requirements. The VA is required to provide long term health care (nursing home care) for Veterans with a 70% and over disability or for a veteran whose VA disability is the reason he or she requires nursing home care. With the demographics of today it is clear that this will be a growing focus and job for the VA. They will need the plants and equipment for this new mission. They also need adequate plant, properly placed around the country to deal with residential mental health treatment capabilities. This is again a crucial area that the CARES Commission did not take into account when making its plans. Residential mental health treatment is a critically

necessary service for some of our veterans. It is both expensive and difficult to find in the civilian system. The VA can additionally bring the expertise necessary to treat problems for military veterans that most psychiatric hospitals and practitioners do not have. It is a service that should not be shortchanged. By moving ahead with the CARES Commission's recommendations before considering these two areas would be foolhardy. It should be done right the first time.

TREA urges that no additional steps in the CARES process occurs until a full study on the future needs of the VA for long term health care and mental health facilities are studies and incorporated into any future plans.

MILITARY RETIREES AND VA CATAGORIES

As referred to earlier, numerous Military Retirees are daily patients in the VA Health Care system. They have served their nation for at least 20 years. They have developed illnesses and conditions while serving their Country. They deserve to be seen as a special category of patients. To place retirees in Category 3 would acknowledge the lifetime of service they have provided to the military.

TREA urges Congress to place military retirees into Category 3 of the VA Health Care System.

DOD-VA COLLABORATION

It has been a long term goal of TREA'S to have real and seamless medical transition from DOD to the VA. The need of this has become painfully apparent in the last year when combat injured service members are coming home and being transferred from DOD to VA facilities all across the country without adequate preparation and follow up services. DOD and all the services are working to try and improve the handoff to the VA. The continued work on IT integration is part of the answer. Collaboration among DOD, the

VA and VSO's is also crucial. Everyone accepts more work is needed. The situation will become even more complicated if the CARES realignments and closings move forward. Additionally, the new TRICARE contracts are all coming on line this year.

TREA hopes your Committees will continue to monitor the progress in this crucial area.

SURVIVORS BENEFITS

TREA knows that the United States as a nation has thousands of new survivors. It is important that we keep our promise to their lost loved one. One thing we can easily do is to attach Survivors' Education Benefits to Title 10 active duty MGIB payments. The widows or widowers and the children of those who have died on our battlefields should have the opportunity to get a four year bachelor degree. If Title 38 benefits were linked to Title 10 benefits this goal could be reached in the future.

TREA is very grateful to the Committees and most especially to Representative Bilirakis for the passage of HR 2297 including the "Give Romance a Chance" provisions. Now a DIC recipient can remarry after reaching the age of 57 without losing his or her DIC payments. This is a huge step forward. But we hope in the near future that Congress will be able to move that provision back to age 55 so it can match CHAMPVA and other federal survivor programs.

TREA urges these Committees to make Title 38 education benefits for survivors equivalent to Title 10 MGIB benefits and that DIC retention after remarriage will be moved back to age 55.

MILITARY RETIREE ISSUES

TREA is well aware that this is a joint hearing of the VA Committees not the Armed Services Committees. We also know that the members of these two Committees care deeply about **ALL** military retiree and veterans issues. We hope that you will not forget several very important retiree matters that are not directly in front of your Committees. Allowing retirees to buy into FEHBP and the waiver of the Medicare Part B premiums

for certain retirees (HR3474 and S2065) is a very important proposal for our members. The proposal to improve SBP by ending the drop of benefits from 55% of the retirees base amount to 35% when the beneficiary reaches 62 years of age (HR 3763 and S1916) would allow widows and widowers to live as their sponsor had intended them to do so. At the same time the proposes end of the SBP/DIC dollar for dollar offset (HR 1726 and S 585) and moving up the paid up provision of SBP to October 1, 2004 (HR 1653) would make the program what you in Congress meant it to be. And we should not forget the remainder of the Concurrent Receipt retirees (10%-40% disabled) who were not helped by the huge step forward made last year on this issue.

CONCLUSION

TREA is very grateful for this opportunity to tell you of our members concerns for the future. We are also very aware of the time, energy and dedication all of you expend on Veterans healthcare, education and other benefits. We know that you do not forget those who served. You always remember their sacrifices and needs and those of their families and survivors. And more importantly you act on them. We know what real allies and patriots you are. The members of The Retired Enlisted Association are very grateful.